

**UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

MARIE LAURETTE DUSSAULT AND
BURGHARD PILTZ,

Plaintiffs,

-against-

THE REPUBLIC OF ARGENTINA,

Defendant.

11 CV 2864 (TPG)

OPINION

**USDC SDNY
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Plaintiffs are the beneficial owners of certain bond indebtedness issued by defendant, the Republic of Argentina (the "Republic"), on which the Republic defaulted in December 2001. Plaintiffs are suing to recover amounts due to them as a result of the default and have moved for summary judgment. The Republic has no objection to the entry of summary judgment.

The motions are granted.

FACTS

The bond indebtedness at issue is governed by: (i) the Subscription Agreement dated as of January 24, 2000 (the "January Subscription Agreement") and (ii) the Subscription Agreement dated as of July 1998 (the "July Subscription Agreement").

As recently noted by the Second Circuit and this Court, the Republic "explicitly waived its sovereign immunity to suit in United States courts" over the German Bonds. *Capital Ventures Int'l v. Republic of Argentina*, 552 F. 3d 289, 291 (2d Cir. 2009); *see also Capital Ventures Int'l v. Republic of Argentina*, 2010 U.S. Dist. LEXIS 32072 (S.D.N.Y. Mar. 31, 2010). Further, this Court has already found that the Court has personal jurisdiction over Argentina even in regard to the German Bonds. *Capital Ventures Int'l*, 2010 U.S. Dist. LEXIS 32072, at *6-8.

On December 24, 2001, Argentina declared a moratorium on payments of principal and interest on the external debt of the Republic. The Court refers to its previous opinions for a description of the circumstances of these defaults *Lightwater Corp. Ltd. v. Republic of Argentina*, No. 02 Civ. 3804, 2003 WL 1878420, at *2 (S.D.N.Y. Apr. 14, 2003); *Applestein v. Province of Buenos Aires*, No. 02 Civ. 1773, 2003 WL 1990206, at *1 (S.D.N.Y. Apr. 29, 2003).

On or about August 4, 2009 and August 7, 2009, Plaintiffs sent notices to various fiscal agents of the Republic of Argentina, providing notice of an event of default, demanding payment on certain bonds governed by the Bond Agreements, and declaring the principal amount of the other debt securities governed by the Bond Agreements to be immediately due and payable. Since declaring the moratorium, Argentina has further defaulted by failing to make any payment of interest or principal on any of its foreign debt, including the Bonds here at issue.

The bonds that are the subject of this action, and the amounts of beneficial interests owned by plaintiffs, are listed in the following tables.¹

¹ The court notes the distinction between bonds and beneficial interests. In some previous opinions, the court has simply referred to the plaintiffs as owners of “bonds,” when in fact plaintiffs are technically owners of “beneficial interests in bonds.” The Republic actually issues “a bond” to a depository. The depository, in some form, issues “participations” to brokers, who sell “beneficial interests” to purchasers. These beneficial interests are identified by reference to the underlying bond (CUSIP or ISIN number or both; date of issuance and maturity; rate of interest) and the principal amount of the beneficial interest. This distinction is discussed more fully in *Million Air Corp. v. Republic of Argentina*, No. 04-1048, 2005 WL 2656126 (S.D.N.Y. Oct. 17, 2005).

TABLE 1

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	MARIE LAURETTE DUSSAULT
<u>Face Value:</u>	€ 730,000
<u>ISIN No.:</u>	DE0004509005
<u>Date Of Issuance:</u>	January 24, 2000
<u>Date Of Maturity:</u>	January 26, 2007
<u>Interest Rate/Payable:</u>	10.25%
<u>Date Of Purchase:</u>	Before December 2001
<u>Notice of Acceleration:</u>	April 21, 2011
<u>Contract Documents:</u>	Subscription Agreement dated as of January 24, 2000 (the "January Subscription Agreement")
<u>Evidence of Ownership Proffered:</u>	Letter from UniCredit Banca di Roma dated as of December 13, 2011.

TABLE 2.

<u>Plaintiff Bond Holder or Beneficial Owner:</u>	BURGHARD PILTZ
<u>Face Value:</u>	DM 10,000 (equal to € 5,113)
<u>ISIN No.:</u>	DE0002483203
<u>Date Of Issuance:</u>	July 6, 1998
<u>Date Of Maturity:</u>	July 6, 2010
<u>Interest Rate/Payable:</u>	8% / 8.25% / 9%
<u>Date Of Purchase:</u>	Before December 2001
<u>Notice of Acceleration:</u>	April 21, 2011
<u>Contract Documents:</u>	Subscription Agreement dated as of July 1998 (the "July Subscription Agreement")
<u>Evidence of Ownership Proffered:</u>	The original bond is in Mr. Piltz's possession.

DISCUSSION

This Court has already granted summary judgment in other case to plaintiffs seeking to collect on the Republic's defaulted bonds issued under German Law. *Schmidt v. Republic of Arg.*, 09-7059, 2011 U.S. Dist. LEXIS 100965 (S.D.N.Y. September 7, 2011); *Capital Ventures Intl. v. Republic of Argentina*, 05-4085, 2010 U.S. Dist. LEXIS 32072 (S.D.N.Y. September 7, 2010). Pursuant to a decision of the United States Court of Appeals for the Second Circuit in *Capital Ventures International v. Republic of Argentina*, 552 F.3d 289, 291 (2d Cir. 2009) this Court has jurisdiction over this matter and Argentina has waived sovereign immunity with regard to German bonds. See also *Capital Ventures Intl. v. Republic of Argentina*, 2010 U.S. Dist. Lexis 32072. Only standing and proof of ownership need to be discussed in connection with the present motion.

In *Fontana v. Republic of Argentina*, 415 F.3d 238 (2d Cir. 2005), and *Applestein v. Province of Buenos Aires*, 415 F.3d 242 (2d Cir. 2005), the Second Circuit has held that an owner of a beneficial interest, such as plaintiffs here, must receive authorization from the registered holder of the bond before it may sue, but that such authorization may be granted subsequent to the filing of a lawsuit. Alternatively, the Republic may waive the authorization requirement.

The Republic has agreed to waive objections based on lack of authorization where the court makes a finding of current ownership. See Transcript, March 28, 2006, *Cilli v. Republic of Argentina*, No. 04-6594.

Here, plaintiffs have adequately demonstrated through their account statements that they owned their beneficial interests as of December 2011. There is no evidence of any change of ownership thereafter.

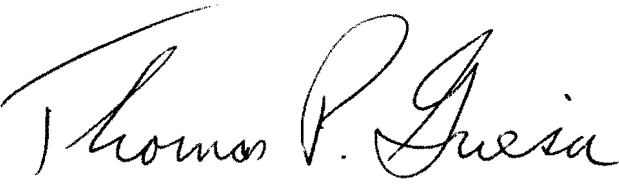
CONCLUSION

The motions for summary judgment are granted. Judgment will be entered for the principal amount of the bonds issued under the: (i) the Subscription Agreement dated as of January 24, 2000 (the "January Subscription Agreement") and (ii) the Subscription Agreement dated as of July 1998 (the "July Subscription Agreement"), plus accrued interest.

Settle judgment.

SO ORDERED.

Dated: New York, New York
April 5, 2012

A handwritten signature in cursive script, reading "Thomas P. Griesa". The signature is written in black ink and is positioned above a horizontal line.

THOMAS P. GRIESA, U.S.D.J.